

## **SOUTH BEND REDEVELOPMENT COMMISSION REGULAR MEETING**

May 19, 2006

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard  
South Bend, Indiana

### **1. ROLL CALL**

Members Present:

Ms. Marcia Jones, President  
Mr. Karl King, Vice President  
Mr. Hardie Blake, Jr.  
Mr. William Hojnacki

Members Absent:

Mr. Greg Downes, Secretary

Legal Counsel:

Ms. Cheryl Greene, Esq.  
Mr. Shawn Peterson, Esq.

Redevelopment Staff:

Mr. Don Inks, Director  
Mrs. Cheryl Phipps, Recording Secretary  
Mr. Robert Mathia, Assistant Director  
Mr. Bill Schalliol, Economic Development Specialist  
Mr. Timothy Williams, Economic Development Specialist  
Ms. Jennifer Laurent, Economic Development Specialist  
Mr. Nicholas Witwer, Economic Development Specialist  
Ms. Ann Kolata, Economic Development Specialist

Others Present:

Ms. Pam Paluszewski, Legal Dept.  
Mr. John Quickstad, Blackthorn Golf Course  
Mr. Rick Reid, Blackthorn Golf Course  
Ms. Robyn Slutsky, Downtown South Bend  
Mr. Michael Urbanski, Garden Homes  
Mr. Tony Cuskaden, McCormick & Company  
Mr. Norm Blanchard, McCormick & Company  
Mr. Marty Wolfson, South Bend Common Council Committee

Mr. King noted a Revised Agenda for the May 19, 2006 meeting. The Revised Agenda differs from the original Agenda by the addition of Items 6D(3), a staff report on disposition of the Rink Riverside site; 6F(6), a settlement agreement with Marathon; and 6F(7), Resolution No. 2246 related to the sale of land for private development in the Airport Economic Development Area.

South Bend Redevelopment Commission  
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**1. ROLL CALL (CONT.)**

Mr. King made a motion that the Revised Agenda be accepted and approved. Mr. Hojnacki seconded the motion and the Commission approved the Revised Agenda dated May 19, 2006.

COMMISSION APPROVED THE REVISED  
AGENDA DATED MAY 19, 2006

**2. APPROVAL OF MINUTES**

**A. Approval of Minutes of the Regular Meeting of  
Friday, September 16, 2006.**

There were no Minutes for approval.

THERE WERE NO MINUTES FOR APPROVAL

**3. APPROVAL OF CLAIMS**

Mr. Inks noted that although there was no meeting on May 5, the Commission still needed to pay its bills. The Commission is asked to ratify the Claims paid May 5, 2006.

305 SBCDA 2003 BOND

Kaser-Spraker Construction	155,257.88	Parking Garage Phase 3
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324 AIRPORT AEDA

Indiana Business	3,374.50
Ken Herceg & Associates, Inc	49,752.00
Warner & Sons, Inc.	5,910.00

414 SAMPLE EWING GENERAL

Hull & Associates Inc	1,445.11
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420 FUND TIF DISTRICT-SBCDA GENERAL

Jerome E. Michaels, MAI	2,200.00
AT & T	26.94
Ralph D. Lauver, MAI, SRA	2,250.00
Ampco Parking Systems	2,651.10

\$	<u>222,867.53</u>
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Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission ratified Claims paid May 5, 2006.

COMMISSION RATIFIED CLAIMS PAID MAY 5,  
2006

South Bend Redevelopment Commission  
Regular Meeting –May 19, 2006

**3. APPROVAL OF CLAIMS (CONT.)**

Redevelopment Commission Claims submitted May 19, 2006 for approval.

305 SBCDA 2003 BOND

Walker Parking Consultants	2,002.31
Lehman & Lehman	788.38
Barnes & Thornburg LLP	2,957.50
Earth Exploration	4,090.00

324 AIRPORT AEDA

Michael C. Machlan, PE	120.00
Abonmarche Consultants of Indiana, L.L.C.	900.00
AEP	13,911.43

414 SAMPLE EWING GENERAL

H. S. Altman Inc.	425.11
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420 FUND TIF DISTRICT-SBCDA GENERAL

Schindler Elevator Corp	134.00
South Bend Water Works	77.30
CB Richard Ellis	609.54
Rose Pest Solutions	87.00
Downtown South Bend, Inc.	25,596.67
Wightman Petrie Environmental	1,500.00

422 FUND WEST WASHINGTON

South Bend Heritage Foundation	33,944.90
Fitzmaurice Landscaping	120.00

424 FUND TIF SBCDA - BUILDING OPERATIONS

CB Richard Ellis	5,620.50
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428 FUND AIRPORT 2003 BOND

DLZ Indiana Inc	566.00
Ken Herceg & Associates	59,942.40

619 FUND BLACKTHORN

Meadowbrook Golf Group Inc	8,000.00
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\$ 161,393.04

### 3. APPROVAL OF CLAIMS (CONT.)

Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission approved the Claims submitted May 19, 2006, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS  
SUBMITTED MAY 19, 2006, AND ORDERED THE  
CHECKS TO BE RELEASED

### 4. COMMUNICATIONS

#### A. Communication from Joan Downs-Krostenko regarding proposals for the Rink Riverside site.

Mr. Inks summarized the following letter and asked that the letter be included in the Minutes in its entirety.

*April 21, 2006*

*Joan Downs-Krostenko  
849 Forest Ave.  
South Bend IN 46616  
574-288-0559*

*Dear Members of the Redevelopment Commission,*

*I am enclosing an editorial I wrote for the Voice of the People column in the South Bend Tribune regarding the East Bank redevelopment. Unfortunately, my submission was too long for the regular section of editorials so it will not be printed. I would appreciate your consideration of my opinion.*

*Sincerely,  
Joan Downs-Krostenko*

*Dear Editor,*

*Kathy Reddy White's editorial about the inappropriateness of the Holladay Properties proposal for the East Bank revitalization speaks the truth on several important issues. I, too, like several of my friends and neighbors, found the design put forward by Holladay, which was featured in the Tribune, astounding for its lack of appreciation, not only for the character of the waterfront, but for the history of, and existing*

**4. COMMUNICATIONS (CONT.)**

**A. Communication from Joan Downs-Krostenko  
regarding proposals for the Rink Riverside site.**

*buildings in the area of the East Bank.*

*I can say nothing good about their design. The scale and materials seemed more in keeping with the Las Vegas Strip than the bubbling water of the St. Joseph River and the lovely old brick industrial buildings which give a warm and organic feel to this important urban space. We should be listening to the concerns of the existing property owners and encouraging the cultivation of arts and culture destinations in the city. Office space is not in short supply downtown, as many vacant multi-story buildings attest.*

*I never hear anyone say how lovely the Marriott or Century Center are architecturally. However, I know many people praise the exquisite restoration of the Morris Performing Arts Center, the charming renovations to the old firehouse on Hill Street or the delightful rehabilitation of the CircaArts Building (which belongs to Ms. Reddy White).*

*Historic preservation and the recognition of arts and culture institutions and businesses are among the best things downtown South Bend can offer St. Joseph County. There is no shortage of commercial activity in the Grape Road and Main Street corridors, and downtown Mishawaka seems intent on destroying what little charm it had left with the demolition of the Tivoli Theater and the recent news that more historic buildings may meet the wrecking ball. South Bend cannot compete with the big box stores and chain restaurants in other parts of the county for commercial viability. What we could offer is a downtown which features appealing destinations which are so lacking in the commercial, business, and arts landscape of the rest of the county. I urge the city to demand more of Holladay Properties.*

*Sincerely,  
Joan Downs-Krostenko*

## **5. OLD BUSINESS**

There was no Old Business.

THERE WAS NO OLD BUSINESS

## **6. NEW BUSINESS**

### **A. Public Hearing**

#### **(1) Public Hearing on Resolution No. 2236 amending the Sample-Ewing Development Area Development Plan**

Mr. Inks noted that the Public Hearing file is complete, containing the following items: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No. 2236; (3) an affidavit from the South Bend Tribune that the Notice of Hearing was published in that paper on April 28, 2006; (4) an affidavit from the Tri-County News that the Notice of Hearing was published in that paper on April 28, 2006; (5) a statement from Bill Schalliol that affected property owners and neighborhood associations were notified of the Public Hearing; and (6) there were no written remonstrances as of 10:00 a.m., May 19, 2006.

Ms. Greene noted that under I.C. 36-7-14-17.5, the Commission is not required to receive evidence or make findings that were required for the establishment of the original development area. However, the Commission is required to make the following findings before approving the amendment: (1) The amendment is reasonable and appropriate when considered in relation to the original resolution, plan and purposes of I.C. 36-7-14, and (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the City. Resolution

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(1) Public Hearing on Resolution No. 2236 continued...**

No. 2236 includes these findings and, accordingly, the Commission's adoption of Resolution No. 2236 as presented would satisfy the requirements of the statute. In addition, the Commission is required to consider any written remonstrances that are filed during the filing period specified in the notice. As Mr. Inks noted, no written remonstrances have been timely received.

Mr. Schalliol noted that Resolution No. 2236 will amend the Sample-Ewing Development Area Development Plan by adding one parcel to the acquisition list. That parcel is located at 1217 S. Walnut St., the former Kokoku Wire property. Acquisition of this property is necessary to facilitate acquisition goals as part of a larger redevelopment project.

Ms. Jones opened the Public Hearing on Resolution No. 2236 for whoever wished to speak. There was no one who wished to speak regarding Resolution No. 2236. Ms. Jones closed the Public Hearing.

PUBLIC HEARING ON RESOLUTION NO. 2236

**(2) Commission approval requested for Resolution No. 2236.**

Mr. King noted that Resolution No. 2236 contains a blank for the number of remonstrances received. He asked that that blank be completed by adding the number "0".

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(2) continued...**

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved Resolution No. 2236 amending the Sample-Ewing Development Area Development Plan, as revised.

COMMISSION APPROVED RESOLUTION No. 2236  
AMENDING THE SAMPLE-EWING DEVELOPMENT  
AREA DEVELOPMENT PLAN, AS REVISED.

**(3) Public Hearing on Resolution No. 2237  
amending the South Side Development  
Area Development Plan.**

Mr. Inks noted that the Public Hearing file is complete, containing the following items: (1) a copy of the Notice of Hearing; (2) a copy of Resolution No. 2237; (3) an affidavit from the South Bend Tribune that the Notice of Hearing was published in that paper on April 28, 2006; (4) an affidavit from the Tri-County News that the Notice of Hearing was published in that paper on April 28, 2006; (5) a statement from Bill Schalliol that affected property owners and neighborhood associations were notified of the Public Hearing; and (6) there were no written remonstrances as of 10:00 a.m., May 19, 2006.

Ms. Greene noted that under I.C. 36-7-14-17.5, the Commission is not required to receive evidence or make findings that were required for the establishment of the original development area. However, the Commission is required to make the following findings before approving the amendment: (1) The amendment is reasonable and appropriate when considered in relation to the original resolution, plan and purposes of I.C. 36-7-14,



**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(3) Public Hearing on Resolution No. 2237  
continued...**

and (2) The resolution or plan, with the proposed amendment, conforms to the comprehensive plan for the City. Resolution No. 2237 includes these findings and accordingly, the Commission's adoption of Resolution No. 2237 as presented would satisfy the requirements of the statute. In addition, the Commission is required to consider any written remonstrances that are filed during the filing period specified in the notice. As Mr. Inks noted, no written remonstrances have been timely received.

Mr. Schalliol noted that Resolution No. 2237 amends the South Side Development Area Development Plan by adding two parcels to the acquisition list. 4215 S. Main St. is a single family residential structure. Its acquisition is necessary to facilitate a larger infrastructure project in the Main/Lafayette area. Parcel 315 W. Ireland Road contains one house. The goal of the acquisition of this parcel is to gain right-of-way. Both acquisitions are consistent with the development plan.

Ms. Jones opened the Public Hearing on Resolution No. 2237 for whoever wished to speak. There was no one who wished to speak regarding Resolution No. 2237. Ms. Jones closed the Public Hearing.

PUBLIC HEARING ON RESOLUTION NO. 2237

**6. NEW BUSINESS (CONT.)**

**A. Public Hearing**

**(4) Commission approval requested for Resolution No. 2237.**

Mr. King noted that Resolution No. 2237 contains a blank for the number of remonstrances received. He asked that that blank be completed by adding the number “0.”

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried the Commission approved Resolution No. 2237 amending the South Side Development Area Development Plan, as revised.

COMMISSION APPROVED RESOLUTION No. 2237  
AMENDING THE SOUTH SIDE DEVELOPMENT  
AREA DEVELOPMENT PLAN, AS REVISED

**B. Tax Abatements**

**(1) Commission approval requested for Resolution No. 2243 approving an application for personal property tax deduction for property located at 3425 West Lathrop Drive in the Airport Economic Development Area. (McCormick & Company, Inc.)**

Mr. Mathia gave the staff report on the project. McCormick & Company will invest \$14.9 million of capital and \$2.3 million of one-time expenses to consolidate McCormick’s manufacturing of U.S. condiment products into the South Bend facility. To accommodate the new production volume, storage of all finished goods will be moved to a third party logistics firm, making room for the new ketchup process and packaging room. The current ketchup room will be renovated, and will house the jelly and salad dressing process

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(1) continued...**

and packaging lines. The large pouch filler area will be reconfigured to fit one additional filler. A small expansion (2,300 sft) at the front of the building will accommodate employee amenities for the 38 new employees (locker rooms, lunch room, restrooms). External to the facility, a larger transformer will be installed, and additional parking for employees will be added.

It is estimated that the total project will create thirty-eight (38) new, permanent, full-time jobs representing a new annual payroll of \$989,498. The project will also maintain ninety (90) existing permanent full-time jobs and two (2) existing part-time positions representing an annual payroll of \$4,555,600.

The petitioner has not been granted or associated with any previous tax abatement. The property is properly zoned for the proposed project. The property is located in the Airport Economic Development Area, which is a Tax Incremental Allocation Area; therefore, the petition for personal property must first be approved by the South Bend Redevelopment Commission. The project meets the qualifications for a five (5) year personal property tax abatement under the tax abatement ordinance.

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(1) continued...**

The cost of the abatement for the  
\$14,900,000 project is estimated as follows:

	Estimated Taxes Over 5 Yrs
Without Abatement	\$1,217,958
With 5 Yr Abatement	\$416,868
Estimated Cost of 5 Yr Abatement	\$801,090

Mr. Cuskaden noted that McCormick & Company was founded in 1889 in Baltimore, Maryland. The South Bend facility opened in 1977 to make sauces for the restaurant and food industry. McDonalds, Olive Garden, Red Lobster, KFC and Taco Bell are customers of McCormicks. With the consolidation of the company in South Bend, McCormicks will be making products for the entire nation here. The expansion project will use Indiana based contractors. The company is very involved in the community, matching employee contributions to local charities. McCormicks has a good benefit plan for employees, offering health, dental and life insurance, a flexible spending account, 401K, tuition reimbursement, and a pension plan.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2243 approving an application for personal property tax deduction for property located at 3425 West Lathrop Drive in the Airport Economic Development Area. (McCormick & Company)

COMMISSION APPROVED RESOLUTION NO. 2243  
APPROVING AN APPLICATION FOR PERSONAL  
PROPERTY TAX DEDUCTION FOR PROPERTY  
LOCATED AT 3425 WEST LATHROP DRIVE IN THE  
AIRPORT ECONOMIC DEVELOPMENT AREA.  
(McCORMICK & COMPANY, INC.)

## 6. NEW BUSINESS (CONT.)

### B. Tax Abatements

- (2) **Commission approval requested for Resolution No. 2244 approving an application for real property tax deduction for property located at 707, 721, 733, 807, 809, and 813 N. Hill St.; 514 Kalorama St.; 1020 and 1018 W. Jefferson Blvd.; 1325, 1321, 1319 and 1317 Liston St.; 1012 St. Louis St. and 701 and 705 Howard St. in the Northeast Neighborhood Development Area. (Garden Homes)**

Mr. Mathia gave the staff report on the project. Garden Homes intends to construct seventeen new three bedroom, five room homes of 1,036 to 1,200 sq. ft. with a full 8 ft. insulated basement on each of the above listed properties. The homes will have a 12 X 21 ft. attached garage, vinyl siding, stove, dishwasher, vent hood and garbage disposal. Each home will be built on a minimum of a 40 ft. X 120 ft. lot that will be seeded upon completion of the home. The cost of the homes will be in the low one hundred thousand dollar range. The homes will be constructed on infill lots. The price of each house will be between \$105,000 and \$125,000.

Garden Homes has been granted seventeen tax abatements since 1995 and is in compliance with all reporting requirements. The properties are properly zoned for residential development. The properties are located in the Northeast Neighborhood Development Area and the West Washington-Chapin Development Area, which are Tax Increment Allocation Areas;

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(2) continued...**

therefore, approval of the tax abatement petition by the South Bend Redevelopment Commission is required. The project meets the qualifications for five year residential tax abatements under the tax abatement ordinance.

The cost of tax abatement is estimated as follows for each \$125,000 home:

	Estimated Taxes Over 5 Yrs
Without Abatement	\$11,316
With 5 Yr Abatement	\$527
Estimated Cost of 5 Yr Abatement	\$10,788

Mr. Urbanski noted that Garden Homes has been constructing infill housing in South Bend for about twelve years. They are now working with South Bend Heritage and the Northeast Neighborhood Revitalization Organization in the northeast neighborhood and West Washington neighborhood. He noted that the Hill St. property is being developed with Madison Center which is offering the property to its employees at no cost.

Mr. King asked how many homes Garden Homes has built in South Bend with residential tax abatement and whether they would have built in South Bend without the residential tax abatement. Mr. Urbanski responded the total is approximately 140 homes which would not have been built

**6. NEW BUSINESS (CONT.)**

**B. Tax Abatements**

**(2) continued...**

without tax abatement. He believes the city must offer incentives to get people to move back into the city. He used the Southfield development as an example. Those lots were offered for about five years with very little interest. Once the residential tax abatement program was in place, it took only about one and a half years to fully develop it. Most of those homes are now paying full taxes on \$200,000- \$300,000 homes. Even with tax abatement, they were paying \$2,500 to \$3,500 per year in taxes.

Mr. Inks noted that Garden Homes has focused on infill housing, rather than new subdivisions. Infill housing is much tougher than building on greenfield sites.

Mr. King noted that there has been recent reporting in the South Bend Tribune about all the vacant properties in South Bend, asking why no one is doing anything about them. In fact, with the residential tax abatement, just one builder has been able to turn 140 properties to productive use.

Mr. Urbanski also noted that Garden Homes makes a point of preventing foreclosures on its homes. FHA has about a 3% foreclosure rate. Garden Homes has maintained a less than 1% foreclosure rate with its prescreening and use of local lenders.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2244

COMMISSION APPROVED RESOLUTION No. 2244  
APPROVING AN APPLICATION FOR REAL  
PROPERTY TAX DEDUCTION FOR PROPERTY

## **6. NEW BUSINESS (CONT.)**

### **B. Tax Abatements**

#### **(2) continued...**

approving an application for real property tax deduction for property located at 707, 721, 733, 807, 809, and 813 N. Hill St.; 514 Kalorama St.; 1020 and 1018 W. Jefferson Blvd.; 1325, 1321, 1319 and 1317 Liston St.; 1012 St. Louis St. and 701 and 705 Howard St. in the Northeast Neighborhood Development Area. (Garden Homes)

LOCATED AT 707, 721, 733, 807, 809, AND 813 N. HILL ST.; 514 KALORAMA ST.; 1020 AND 1018 W. JEFFERSON BLVD.; 1325, 1321, 1319 AND 1317 LISTON ST.; 1012 ST. LOUIS ST. AND 701 AND 705 HOWARD ST. IN THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA. (GARDEN HOMES)

### **C. Housing**

#### **(1) Commission approval requested for Loan and Grant in connection with the South Bend Home Improvement Program for property located at 2718 Prast Blvd. (Marlene Freeman)**

Mr. Inks noted that the loan is in the amount of \$6,100. The grant is \$12,500.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Loan and Grant in connection with the South Bend Home Improvement Program for property located at 2718 Prast Blvd. (Marlene Freeman)

COMMISSION APPROVED THE LOAN AND GRANT IN CONNECTION WITH THE SOUTH BEND HOME IMPROVEMENT PROGRAM FOR PROPERTY LOCATED AT 2718 PRAST BLVD. (MARLENE FREEMAN)

### **D. South Bend Central Development Area**

#### **(1) Commission approval requested for proposal to design, oversee bidding and monitor a carbon monoxide exhaust system for the Leighton Garage.**

Mr. Inks asked that item 6.D.(1) be tabled.



**6. NEW BUSINESS (CONT.)**

**D. South Bend Central Development Area**

**(1) continued...**

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission tabled Item 6.D.(1) until the next regular meeting of the Commission.

ITEM 6.D.(1) WAS TABLED UNTIL THE JUNE 2, 2006 MEETING.

**(2) Commission authorization requested from Downtown South Bend to use Commission owned property in the downtown and East Bank on September 7, 2006 for ArtBeat.**

Ms. Laurent noted that the City of South Bend and Downtown South Bend, Inc. are again partnering with the organizers of ArtBeat for this year's event, which will be held September 7 from 4-8 p.m. Downtown South Bend, Inc. has requested the use of Commission owned property in the South Bend Central Development Area for use as staging areas during the event—Rockne Plaza, the Bryant lot at Hill and Colfax, and the former Rink Riverside site. The committee does understand that the Commission is currently offering one of these parcels, the former Rink site, for disposition and that alternative staging might have to be arranged if the Commission does not control the site come September.

ArtBeat has become synonymous with the vibrancy of our downtown and the creative energy of our local arts community. Staff recommends approval of the request.

Mr. Hojnacki expressed his enthusiasm for this great event.

**6. NEW BUSINESS (CONT.)**

**D. South Bend Central Development Area**

**(2) continued...**

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission authorized Downtown South Bend to use Commission owned property in the downtown and East Bank on September 7, 2006 for ArtBeat.

COMMISSION AUTHORIZED DOWNTOWN SOUTH BEND TO USE COMMISSION OWNED PROPERTY IN THE DOWNTOWN AND EAST BANK ON SEPTEMBER 7, 2006 FOR ARTBEAT

**(3) Staff report on disposition of property in the South Bend Central Development Area. (Rink Riverside Printing site)**

Ms. Laurent noted that the Commission has offered for disposition the former Rink Riverside Printing site on the East Bank. At previous Commission meetings the two proposals have been discussed and presentations made by the respective developers, Eco-Urban Collaborative and Holladay Properties. Since then staff has communicated specific reservations that the Commission has raised regarding the economic viability of both of these projects.

Both proposals present exciting development concepts for the East Bank, but the devil is in the details, so to speak, and after a careful review of both our own fiscal restraints and the financial projections presented by each proposal, neither project seems to work at this time. Staff recommends returning the deposits we've received for each proposal (\$30,000 from Holladay Properties and \$1 from Eco-Urban Collaborative) with the consideration that staff is very much encouraged by the level of public interest in this important riverfront site. Staff will

**6. NEW BUSINESS (CONT.)**

**D. South Bend Central Development Area**

**(3) continued...**

continue to work with all of these groups expressing an interest in the site. In other words, this is the beginning, not the end, of the planning process for the area. In the interest of being forthright with both developers, Staff has communicated the Commission and staff's reservations about the current proposals. At the Commission's direction, staff will no longer entertain the terms as presented by these two developers, but will welcome any and all future proposals for development of this site.

Mr. King commended Ms. Laurent for her excellent work on this project, starting with the issuance of the Request for Proposals and including evaluation of the proposals. The staff has done everything possible to try to make these proposals workable. Mr. King represented on behalf of the Commission that the Commission has reached the conclusion that Ms. Laurent describes with respect to the two proposals and the recommendation is appropriate.

Mr. Hojnacki asked whether there is any intent to reissue the RFP. Ms. Laurent confirmed that there is no such intent, but that the Commission could at some later time however, that is not staff's current recommendation. Staff intends to work on some planning concepts for the area. That is one of the good things that has come from these proposals. We have a lot of good ideas to work with for the future.

**6. NEW BUSINESS (CONT.)**

**D. South Bend Central Development Area**

**(3) continued...**

Ms. Jones noted that although the Commission has focused primarily on the financial constraints of developing that site, it is not limited in its reservations to just financial considerations. It is the Commission's responsibility to find the best use of this wonderful piece of property. In doing so, we are looking at not only what is financially viable, but whether a proposal the right thing for that spot. Both of those proposals also presented issues to the best use of the property. We want to see a good project, and we want to see a successful project. Taking all of those things into consideration led us to the decision to be forthright with the two proposals. They are free to work on them and bring back revised proposals; however, the Commission would also consider any new proposals for the site.

Upon a motion by Mr. King, seconded by Mr. Hojnacki, the Commission accepted the report of staff and authorized taking the actions recommended.

COMMISSION ACCEPTED THE REPORT OF STAFF  
AND AUTHORIZED TAKING THE ACTIONS  
RECOMMENDED

**E. Sample-Ewing Development Area**

There was no business in the Sample-Ewing Development Area.

**F. Airport Economic Development Area**

- (1) Filing of Resolution No. 2245 amending the Airport Economic Development Area and setting a public hearing on Resolution No. 2245 for 10:00 a.m., June 16, 2006.**

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(1) continued...**

Mr. Witwer noted that Resolution No. 2245 will expand the Airport Economic Development Area and TIF Allocation Area No. 1 and will amend the Development Plan by adding five properties to the acquisition list: 4022 W. Cleveland Road, 2903 Foundation Drive, 3922 Nimtz Parkway, 1827 N. Bendix Drive, and 1735 N. Bendix Drive. All acquisitions are for right-of-way and are not expected to be purchase of the whole parcels. A public hearing on Resolution No. 2245 will be scheduled for June 16, 2006 at 10:00 a.m.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission accepted Resolution No. 2245 for filing and set a public hearing on Resolution No. 2245 for 10:00 a.m., June 16, 2006.

COMMISSION ACCEPTED RESOLUTION No. 2245 FOR FILING AND SET A PUBLIC HEARING ON RESOLUTION NO. 2245 FOR 10:00 A.M., JUNE 16, 2006

**(2) Commission approval requested for Contract for Sale of Land in the in the Airport Economic Development Area. (Lots 4-6, U.S. 31 Industrial Park)**

Mr. Schalliol noted that on December 2, 2005, the Redevelopment Commission approved a proposal from Christian Davey with PCN Properties, LLC for the purchase of three lots (4-6) in the US 31 Industrial Park. The properties are located adjacent to the entrance of the industrial park. The Commission accepted the amount of \$235,200.00 as the purchase price.

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(2) continued...**

After several months of negotiations of the fine points of the contract for sale documents, a signed document was presented to Commission staff on April 24<sup>th</sup> for Commission approval. The purchase value, as proposed by the signed documentation is \$237,216.00.

The basic structure of the sale is similar to the proposal presented in December 2005 with a few minor changes. The main change is the revision of some dates to reflect the closing schedule and changes to the ownership group purchasing the site. At this point, construction of Phase 1 is to start by October 1, 2006, with completion of Phase 1 in one year. Also, the ownership group has been modified, and at this time Christian Davey with PCN Properties, LLC, is the managing partner for the ownership group purchasing these parcels.

Staff requests approval and signature of the Contract for Sale of Land documents.

Mr. King commended Mr. Schalliol on his patience working with this project through some difficult changes. This project will be a nice project and well worth the effort.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Contract for Sale of Land in the Airport Economic Development Area. (Lots 4-6, U.S. 31 Industrial Park)

COMMISSION APPROVED THE CONTRACT FOR SALE OF LAND IN THE AIRPORT ECONOMIC DEVELOPMENT AREA. (LOTS 4-6, U.S. 31 INDUSTRIAL PARK)

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(3) Commission approval requested for revised proposals for professional services in the Airport Economic Development Area. (Appraisals, Bendix and Voorde)**

Mr. Witwer noted that at its March 3, 2006 meeting the Redevelopment Commission accepted proposals from Ralph Lauver and Jerome Michaels to appraise property at the Voorde and Bendix intersection for an amount not to exceed \$3,000. At the time they submitted their proposals both appraisers mentioned that they did not have enough information and might need to revise their proposals after seeing plans for the right of way to be acquired. After viewing plans for the temporary right of way needs and anticipating other potential damages to the property, both appraisers have reevaluated their proposals and submitted new proposals. Ralph Lauver has increased his price from \$1,500 to \$5,950. Jerome Michaels has increased his price from \$1,500 to \$5,800.

Staff recommends accepting both revised proposals approving a total not to exceed amount of \$12,000 for both appraisals.

Upon a motion by Mr. Hojnacki, seconded by Mr. King and unanimously carried, the Commission accepted the revised proposal from Ralph Lauver in the amount of \$5,950 and the revised proposal from Jerome Michaels in the amount of \$5,800 and approved a not to exceed expenditure of \$12,000 for both appraisals.

COMMISSION ACCEPTED THE REVISED PROPOSAL FROM RALPH LAUVER IN THE AMOUNT OF \$5,950 AND THE REVISED PROPOSAL FROM JEROME MICHAELS IN THE AMOUNT OF \$5,800 AND APPROVED A NOT TO EXCEED EXPENDITURE OF \$12,000 FOR BOTH APPRAISALS

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(4) Commission approval requested for proposal for study and design work for bunker rehabilitation at Blackthorn Golf Course.**

Mr. Witwer noted that Golf Course Management put together a scope of work and took quotes for a study and design for rehabilitation work to the bunkers on Blackthorn Golf Course. Three quotes were received at \$22,600, \$29,200 and \$42,500. Boswell Golf Design submitted the lowest bid at \$22,600 and staff recommends accepting that offer. Rehabilitation of the bunkers was included in the 2006 budget approved for the golf course.

John Quickstad stated how excited the staff is to get this project underway. If there are golfer complaints at Blackthorn, it is usually related to the bunkers. Bill Boswell has been involved with Blackthorn since 1992 when he worked with the original golf course designer, Michael Hurdzan. Bill understands the strategy of the golf course. He will do design, prepare construction documents, and oversee the construction.

Upon a motion by Mr. King, seconded by Mr. Blake and unanimously carried, the Commission authorized the request for proposals and accepted the proposal from Boswell Golf Design for the scope of services and fee proposed.

COMMISSION AUTHORIZED THE REQUEST FOR PROPOSALS AND ACCEPTED THE PROPOSAL FROM BOSWELL GOLF DESIGN FOR THE SCOPE OF SERVICES AND FEE PROPOSED

**(5) Commission approval requested for Bendix Drive Rehabilitation Agreement Amendment #1.**



**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(5) continued...**

Mr. Witwer noted that on March 15, 2005 the Commission approved a contract with Abonmarche Group for design work for the Bendix/Voorde intersection and installing sewers on Bendix from Voorde to Lathrop. The approved fee was not to exceed \$138,200. We would like to extend the scope of services to include design work of the Bendix Drive Rehabilitation. The additional cost would be \$29,833.78, for a total not to exceed amount of \$168,033.78. Staff recommends approval of the amendment.

Mr. King asked why this scope of services wasn't noticed and made part of the original contract. Mr. Schalliol responded that the scope of the project has moved farther north to accommodate the area by Viridian Drive where the railroad tracks come over. When we started the original project, we looked at Lathrop as just an asphalt resurfacing project. At this time the condition of Lathrop is miserable and it really needs to be reconstructed.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved the Bendix Drive Rehabilitation Agreement Amendment #1 with Abonmarche.

COMMISSION APPROVED THE BENDIX DRIVE  
REHABILITATION AGREEMENT AMENDMENT #1  
WITH ABONMARCHE

**(6) Commission approval requested for  
Marathon Settlement Agreement and  
Execution of Development Agreement.**

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(6) continued...**

Mr. Peterson noted that the agreement with Marathon is largely with the Redevelopment Authority; however, it impacts development on Blackthorn Golf Course, so Marathon has asked that the Commission be a party to this agreement.

The Redevelopment Authority owns properties along the golf course which it wishes to develop. One is Lot 3A which was awarded to County Mayo for a hotel. The others are lots 1B and 1C, north of the Blue Heron. When the golf course was originally developed, Marathon had a blanket easement with the golf course for a 6-inch pipeline which is no longer in use. They gave the Commission a release making their easement only 30 feet on either side of the pipeline. The Commission then sold the property to the Blue Heron. Bob Gonderman built the Blue Heron in violation of their easement agreement. That caused a series of events.

. When the Commission awarded the bid to County Mayo to develop the hotel site, Marathon threatened to enforce their rights in the easement to prohibit development of that site until we worked out the Blue Heron issue.

This has kept development of the hotel site in limbo for the past several years. This Settlement Agreement ends all the disputes with Marathon and paves the way to allow the hotel development to move forward and to allow Lot 1B and 1C to be developed

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(6) continued...**

without hindrance from Marathon.

The terms of the Settlement Agreement include expansion of the easement for the pipeline from 30 ft. to 50 ft with policies which will be explained to the golf course personnel. In order to make the hotel site developable, Marathon wants the Commission to be a party to the easement agreement related to the hotel site.

Mr. King asked if Mr. Peterson was confident that this proposed form of Settlement Agreement does indeed resolve all the pertinent issues that we know about. Mr. Peterson said that the three issues involved were: (#1) The Blue Heron building was built too close to the pipeline. The agreement allows Marathon to relocate its pipeline (at Marathon's expense) around the Blue Heron site on a portion of the golf course which will not affect the play or value of the golf and doesn't hinder further development of Lot 1B. (#2) The drive on Lots 1B and 1C which goes to the Blue Heron site was built in violation of the Marathon easement. The agreement allows the drive at Blue Heron to stay in place. (#3) Sewer and water lines need to be relocated over the pipeline easement to allow the hotel to be sited on Lot 3A. The agreement allows that also.

The city, developer and Marathon came to the initial concept of this solution back in 2001, but the documents presented by

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(6) continued...**

Marathon were very one-sided and would not work for the developer or the city. The hotel development lost momentum with the September 11 attack. Now the developer is ready to move forward and he approached the city again for a solution to the pipeline. The documents have subsequently been rewritten so they are acceptable to all parties. Upon a motion by Mr. Hojnacki, seconded by Mr. King and unanimously carried, the Commission approved the Marathon Settlement Agreement and authorized execution of the Development Agreement for lot 3A in Blackthorn Corporate Park.

COMMISSION APPROVED THE MARATHON  
SETTLEMENT AGREEMENT AND EXECUTION OF  
THE DEVELOPMENT AGREEMENT FOR LOT 3A IN  
BLACKTHORN CORPORATE PARK

**(7) Commission approval requested for Resolution No. 2246 approving a form of development agreement with JF+A Properties, Ltd./CH&P and County Mayo/SB,LLC and other related matters. (Blackthorn Corporate Park Lot 3A)**

Mr. Peterson noted that this is related to the development of the hotel site. Back in 2001 the process was started for resolution of the Marathon pipeline issue. Resolution No. 2246 approves the standard form of development agreement authorizing the Legal department to negotiate and finalize a development agreement which will be brought back to the Commission for final approval at the June 2 meeting. This allows the city to move forward with utility improvements on a guarantee with the developer that he either complete the development or reimburse the city for the

**6. NEW BUSINESS (CONT.)**

**F. Airport Economic Development Area**

**(7) continued...**

utility improvements. This arrangement will help keep the project on schedule.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission approved Resolution No. 2246 approving a form of development agreement with JF+A Properties, Ltd./CII&P and County Mayo/SB,LLC and other related matters. (Blackthorn Corporate Park Lot 3A)

COMMISSION APPROVED RESOLUTION No. 2246 APPROVING A FORM OF DEVELOPMENT AGREEMENT WITH JF+A PROPERTIES, LTD./CII&P AND COUNTY MAYO/SB,LLC AND OTHER RELATED MATTERS. (BLACKTHORN CORPORATE PARK LOT 3A)

**G. South Bend Medical Services District**

There was no business in the South Bend Medical Services District.

**H. West Washington-Chapin Development Area**

There was no business in the West Washington-Chapin Development Area.

**I. South Side Development Area**

**(1) Commission approval requested for Certification concerning Insurance and Tax Liability. (Erskine TIF Project)**

Mr. Inks explained that this document is a standard reporting requirement. Most of our bonds have gone through the Redevelopment Authority, but the Erskine TIF bond was a Commission bond, so this document must come before the Commission.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the

COMMISSION APPROVED THE CERTIFICATION CONCERNING INSURANCE AND TAX LIABILITY. (ERSKINE TIF PROJECT)

**6. NEW BUSINESS (CONT.)**

**I. South Side Development Area**

**(1) continued...**

Commission approved the Certification concerning Insurance and Tax Liability. (Erskine TIF Project)

**(2) Commission approval requested for Warranty Deeds for property in the South Side Development Area. (Parcels 6, 15, and 16)**

Mr. Inks requested that Item 6.I.(2) be withdrawn from the agenda. The deeds do not need to be approved by the Commission.

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission withdrew Item 6.I.(2) from the agenda.

COMMISSION WITHDREW ITEM 6.I.(2) FROM THE AGENDA

**(3) Commission approval requested for Resolution No. 2238 approving and authorizing the transfer of property to the Board of Public Works.**

Mr. Schalliol noted that Resolution No. 2238 transfers a portion of 201 West Ireland Road to the City of South Bend for the Ireland Road right-of-way. The entire parcel was purchased in 2005 to facilitate the Ireland Road improvements as part of the Erskine Commons project.

Upon a motion by Mr. Hojnacki, seconded by Mr. Blake and unanimously carried, the Commission approved Resolution No. 2238 approving and authorizing the transfer of property to the Board of Public Works.

COMMISSION APPROVED RESOLUTION NO. 2238 APPROVING AND AUTHORIZING THE TRANSFER OF PROPERTY TO THE BOARD OF PUBLIC WORKS

**6. NEW BUSINESS (CONT.)**

**I. South Side Development Area**

**(4) Staff report on disposition of property in the South Side Development Area. (505 E. Ireland Rd.)**

Mr. Schalliol noted that on April 21, 2006 the Commission opened bids for the disposition parcel at the corner of Ireland and Fellows. The proposal did not conform to the Bid Specifications and Design Considerations in that the price offered did not meet the offering price. The proposed project is a 3,200 sft, 2-phased office building. The developer is a local developer with two tenants already guaranteed to the project. Staff will continue to negotiate the price with the developer over the next couple of weeks and will make a recommendation at the next Commission meeting.

STAFF REPORT ON DISPOSITION OF PROPERTY IN THE SOUTH SIDE DEVELOPMENT AREA (505 E. IRELAND RD)

**J. Northeast Neighborhood Development Area**

**(1) Commission authorization requested to submit loan application to City of South Bend for South Bend Cleanup Revolving Loan Fund in an amount not to exceed \$300,000 for 1340 South Bend Avenue in the Northeast Neighborhood Development Area.**

Ms. Kolata explained that the City of South Bend received a grant from the U.S. EPA to establish a brownfield cleanup revolving loan fund. This is a request to submit an application to that loan fund for remediation activities at 1340 South Bend Avenue. In 2003 -2004 the City remediated the former landfill adjacent to this property and created Fredrickson Park. At that time it was

**6. NEW BUSINESS (CONT.)**

**J. Northeast Neighborhood Development Area**

**(1) continued...**

determined that some of the landfill extended onto this property. The application is for a loan to remediate the property by capping the landfill and extending the methane gas collection system and tying it into the system that was installed at Fredrickson Park.

One of the reasons for applying for the loan is that the Redevelopment Commission is considered a separate legal entity from the City of South Bend. Because it is a separate entity, a portion of these loan funds can actually be granted to it, up to a maximum of \$100,000. It will be a loan from the city of the redevelopment Commission, but a portion of it will be forgiven. We are asking that the maximum of \$100,000 be forgiven.

We do not have the exact cost estimates for the remediation. There were some soil borings done on the property in 2004 to determine that the landfill extended onto the property but the depth and extent of the landfill still needs to be determined. Phase II testing is scheduled to take place within the next couple of weeks. Once that is finished we'll have an idea of the remediation cost and how much we need to borrow. The expectation is that total remediation costs will be about \$200,000. The intent is to pay back the loan within one year at 0% interest. The repayment will be from COIT which has already been appropriated for this project.



## **6. NEW BUSINESS (CONT.)**

### **J. Northeast Neighborhood Development Area**

#### **(1) continued...**

Upon a motion by Mr. King, seconded by Mr. Hojnacki and unanimously carried, the Commission authorized submission of a loan application to the City of South Bend for the South Bend Cleanup Revolving Loan Fund in an amount not to exceed \$300,000 for 1340 South Bend Avenue in the Northeast Neighborhood Development Area.

COMMISSION AUTHORIZED SUBMISSION OF A LOAN APPLICATION TO THE CITY OF SOUTH BEND FOR THE SOUTH BEND CLEANUP REVOLVING LOAN FUND IN AN AMOUNT NOT TO EXCEED \$300,000 FOR 1340 SOUTH BEND AVENUE IN THE NORTHEAST NEIGHBORHOOD DEVELOPMENT AREA.

### **K. Douglas Road Economic Development Area**

### **L. Other**

## **7. PROGRESS REPORTS**

Ms. Laurent reported that Gameday Centers has already received the required \$5,000 deposit on 40 of its units to be constructed at St. Joseph and Jefferson. That is way ahead of expectations. They are interested securing more property in the downtown.

### **PROGRESS REPORTS**

Mr. Hojnacki asked about a projected start and completion date. Ms. Laurent responded they expect to break ground in December 2006 and complete the project within eighteen months.

Mr. Inks reported that he and Jennifer Laurent will be the keynote speakers at a seminar with BDI on June 7 on the subject of community building with redevelopment.

## **8. NEXT COMMISSION MEETING**

The next meeting of the Redevelopment Commission is scheduled for Friday, June 2, 2006 at 10:00 a.m.

### **NEXT COMMISSION MEETING**

South Bend Redevelopment Commission  
Regular Meeting –May 19, 2006

**9. ADJOURNMENT**

There being no further business to come before the Redevelopment Commission, Mr. Hojnacki made a motion that the meeting be adjourned. Mr. King seconded the motion and the meeting was adjourned at 11:18 a.m.

ADJOURNMENT

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Donald E. Inks, Director

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Marcia I. Jones, President